Government of Saskatchewan

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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Cattle Market Update

For the Week Ending June 12, 2015

This is the final edition of the Cattle Market Update for the spring of 2015.
Monthly updates will be prepared during the week of July 6 and August 4.
The regular weekly report will resume on August 17, 2015.

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
June 12/2015	Average	**N.A.**	**N.A.**	**$323.50**	**$299.25**	**$273.50**	**$259.33**	**N.A.**
June 12/2015	Range	N.A.	N.A.	310-345	285-311	264-284	249-271	N.A.
week/week	Change	**N.A.**	**N.A.**	-$3.00	-$4.25	-$3.00	**$8.66**	**N.A.**
June 5/2015	Average	**N.A.**	**$340.00**	**$326.50**	**$303.50**	**$276.50**	**$250.67**	**N.A.**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
June 12/2015	Average	**N.A.**	**$313.50**	**$300.17**	**$275.13**	**$255.17**	**$238.17**	
June 12/2015	Range	N.A.	300-337	287-320	263-290	246-269	224-249	
week/week	Change	**N.A.**	**$1.50**	**$7.17**	**$9.96**	**$3.84**	**$7.00**	
June 5/2015	Average	**N.A.**	**$312.00**	**$293.00**	**$265.17**	**$251.33**	**$231.17**	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

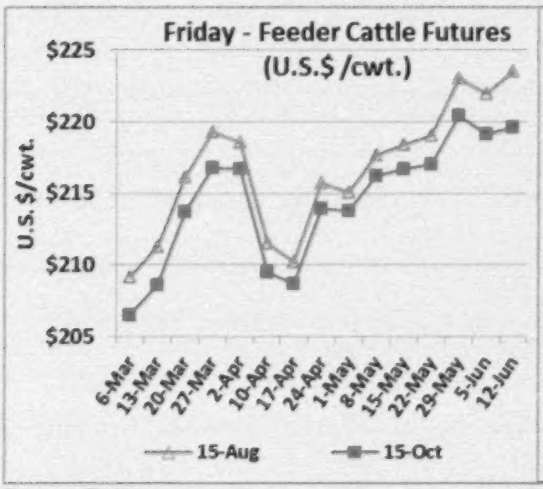
Canfax reported that a total of 6,440 head of cattle were sold in Saskatchewan this week, up from 3,552 head marketed the previous week. Saskatchewan feeder cattle prices were mixed with higher volumes from the previous week and overall narrower price ranges.

Saskatchewan feeder steer prices were primarily lower for the weight categories reported which were the 500-900 lb. weight categories. Prices ranged from $4.25 per cwt lower to $8.66 per cwt higher. Prices in the 600-700 lb. weight category had the largest losses over the week while prices in the 800-900 lb. weight category had the only increase. The big price increase in the 800-900 lb. feeder steer weight category helped establish a new all-time high record price.

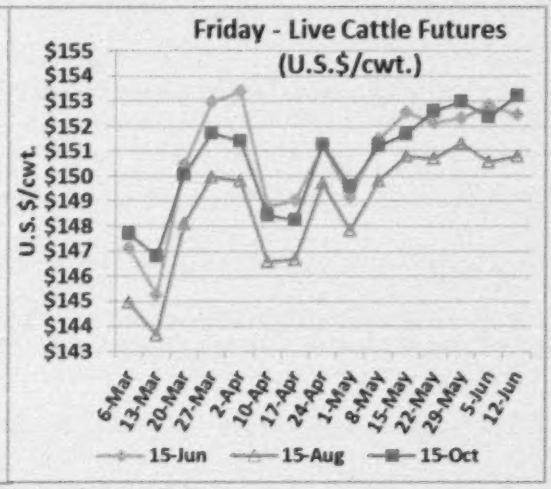
Feeder heifer prices were higher over the week. Feeder heifer prices increased between $1.50 per cwt and $9.96 per cwt higher. The 600-700 lb. weight category had biggest gain. There were no losses reported over the week for the weight categories reported. New record all-time high prices were established in the heavier weight 700-800 lb. and 800+ lb. feeder heifer weight categories.

The Saskatchewan 750 lb. feeder steer basis compared to the June 11, 2015, U.S. feeder cattle index at US$226.40 per cwt was calculated at -$5.21 per cwt (US$226.40/0.8123-$273.50), a basis weakening of $2.47 per cwt from -$2.74 per cwt on June 4, 2015.

Feeder cattle futures prices were higher early in the week before turning lower later in the week, but still managed to end higher; week-over-week. The nearby August contract increased US$1.550 per cwt to settle Friday at US$223.450 per cwt, while the October contract increased US$0.450 per cwt to settle Friday at US$219.575 per cwt.



Source: CME



Source: CME

Live cattle futures prices were mixed over the week and ended the week mixed, week-over-week. The June contract declined US$0.375 per cwt over the week to settle Friday at US$152.450 per cwt, while the October contract increased US$0.825 per cwt to settle Friday at US$153.200 per cwt.

Iowa cash corn prices were lower over the week declining eight cents per bushel to end Friday at US$3.31 per bushel. U.S. daily corn futures prices were primarily lower over the week. The July corn futures contract declined over seven cents to settle Friday at US$3.53 per bushel, while the September corn futures contract declined almost nine cents per bushel to settle Friday at US$3.58¾ per bushel.

The USDA Feed Outlook was released on June 12, 2015. Global feed grain supplies for 2015/2016 are projected higher this month (June) as increased 2014/15 production (mostly increased second-corn crop in Brazil) and other supply and demand changes helped boost the 2015/16 beginning stocks. United States projected 2015/16 corn yield and production were unchanged from the previous month as overall conditions continue to be very favorable in the U.S. for most of the major corn-producing States.

Fed and Non-fed Cattle

	June 12	June 5	Change over Week
Steers (Alberta)			
Live	202.23	203.51	-1.28
Rail	336.50-338.50	339.00-340.50	-2.50/-2.00
Cows (Alberta)			
D1,2 Live	142.50	147.50	-5.00
D3 Live	129.00	131.25	-2.25
Rail	270-275	280-285	-10.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for live weight, non-fed cattle in Alberta were mixed over the week. The price of D1,2 slaughter cows declined $5.00 per cwt to average $142.50 per cwt, while the price of D3 slaughter cows declined $2.25 per cwt to average $129.00 per cwt.

Cash fed prices in Western Canada for Alberta fed steer prices were lower over the week and were reported to average $202.23 per cwt, down $1.28 per cwt from $203.51 per cwt the previous week. Alberta basis levels to the United States (Nebraska) over the last nine weeks have exceeded normal price relationships, supporting higher Alberta fed steer prices. According to Canfax data, basis levels over the last nine weeks averaged well over $7 per cwt positive, compared to the five year average of almost $10 per cwt negative; over the same nine week period.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$153.48 per cwt, down US$2.11 per cwt from US$155.59 per cwt from the previous week, but up US$4.00 per cwt from US$149.48 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$243.49 per cwt, down US$2.04 per cwt from US$245.53 per cwt the previous week, but up US$7.17 per cwt from US$236.32 per cwt the same week a year ago.

The June USDA WASDE report was released on June 10 and estimated that United States Red Meat and Poultry production for 2015 will be 95.137 billion lb., a 0.5 per cent reduction from the May estimates, but a 3.2 per cent increase from 92.172 billion lb. produced in 2014. U.S. beef production estimates in June were revised 1.1 per cent lower from May with lower slaughter head numbers projected. United States meat production for 2015 is projected to increase for pork (+7.1%) and broilers (+4.6%), but decline for turkeys (-2.6%) and beef (-1.1%), from 2014.

Turkey numbers are projected to decline primarily from the avian influenza (bird flu) out breaks in the United States with a majority of the initial confirmed cases in Upper Midwest States (such as Iowa, Minnesota, Wisconsin) that are predominately egg layer and turkey production regions. As of early June 2015 the number of detections of avian influenza in the United States grew to 207 cases across 15 states and has resulted in the depopulation of more than 45 million birds. USDA expects this number to reach 50 million birds affected at some point this summer. (Source: John Newton and Todd Kuethe; University of Illinois)

USDA June World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2013	**Annual**	**25,720**	**23,187**	**37,830**	**5,806**	**93,333**
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	May Proj.	24,274	24,396	40,161	5,979	95,583
2015	**June Proj.**	**24,009**	**24,456**	**40,317**	**5,604**	**95,137**
% Chg.	May - June.15	-1.09%	0.25%	0.39%	-6.27%	**-0.47%**
% Chg.	**2014-2015**	**-1.00%**	**7.06%**	**4.58%**	**-2.64%**	**3.22%**
2016	**June Proj.**	**24,735**	**24,700**	**41,175**	**6,010**	**97,393**

Source: USDA June WASDE Report, June 10, 2015

Friday Price Information

Product		This Week (June 12)	Week of: (June 5)
Canadian Dollar (closing rate US$)		.8123	.8039
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		226.40	224.48
Seven-day Weighted Average FC Index Wt. (lb.)		766	769
Live Fed 5-area Steer Price (US$ per cwt)		153.48	155.59
Feed Grains			
Barley	Lethbridge ($/tonne)	220.00	216.00
	($ per bu.)	4.79	4.70
Corn	Iowa State Average (CDN$/tonne)*	160.42	166.01
	(US$ per bu.) (current Wed. price)	3.31	3.39
	Omaha, NE (CDN$/tonne)*	173.50	178.75
	(US$ per bu.)	3.58	3.65
Futures			
	July Corn (US$ per bu.)	3.53	3.60½
	September Corn (US$ per bu.)	3.58¾	3.67½
	June Live Cattle (US$ per cwt)	152.450	152.825
	August Live Cattle (US$ per cwt)	150.800	150.575
	August Feeder Cattle (US$ per cwt)	223.450	221.900
	October Feeder Cattle (US$ per cwt)	219.575	219.100

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News

* conversion to CDN$ is based on Friday's CDN$ closing rate

Average beef cutout values (Choice 600-900 lb.) for the week ending June 13 averaged US$246.38 per cwt, down US$3.28 per cwt from US$249.66 per cwt from the previous week, but up 6.3 per cent from US$231.80 per cwt the same week a year ago.

U.S. beef production for the week ending June 13, totaled 439.5 million lb., down 1.6 per cent from 446.6 million lb. the previous week, and down 8.5 per cent from 480.4 million lb. the same week a year ago.

U.S. cattle slaughter numbers were 542,000 head, down 1.5 per cent from 550,000 head the previous week and down 10.5 per cent from 606,000 head the same week a year ago.

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